

DISABILITY INSURANCE PROGRAM FREQUENTLY ASKED QUESTIONS (FAQ)

Section 3 - Long Term Disability (LTD) Program

Disclaimer—

If there is any conflict in interpretation between the FAQ's and the Short-Term Disability (STD) and Long-Term Disability (LTD) program contract provisions and existing law, the contract provisions and/or law govern.

Q 3.0 What is a Long-Term Disability (LTD) program and how is it defined in the policy?

A 3.0 By definition, Long-Term Disability programs provide enrolled employees with partial income replacement for a long period of time should the employee become disabled due to a covered accident, sickness or pregnancy. In the LTD program provided by the State of Delaware and insured by The Hartford, benefits begin on the 183rd calendar day of covered and approved disability and continue for 24 months or until you are able to perform the essential duties of your occupation. After 24 months, LTD benefit payments can continue if you are unable to perform the essential duties of any occupation.

Q 3.1 What disabilities are not covered in the LTD program?

A 3.1 The LTD program does not cover:

- injury, sickness, mental illness, substance abuse or pregnancy not under the regular care of a physician;
- disability that is caused or contributed to by war or act of war (declared or not);
- disability caused by commission of or attempt to commit a felony, or to which a contributing cause was your being engaged in an illegal occupation;
- disability caused by or contributed to by an intentionally self-inflicted injury;
- if you are receiving or are eligible for benefits for a disability under a prior disability plan that:
 1. was sponsored by an employer; and
 2. was terminated before the effective date of this plan.
- Disabilities due to mental illness and substance abuse beyond 2 years.

Q 3.2 When can I apply for LTD benefits?

A 3.2 Before the end of your STD benefit period, The Hartford will send an LTD application to your home to complete and return to The Hartford for benefit consideration. Shortly thereafter, the Pension Office will send you a letter advising of your continued eligibility for enrollment in a health care plan sponsored by the State of Delaware along with the applicable enrollment form(s). You must fully complete the enrollment forms and return them to the Pension Office for processing in order to be enrolled in a health care plan sponsored by the State of Delaware, with state share or double state share as applicable, upon the commencement of your LTD benefits.

Q 3.3 When do LTD benefit payments commence?

A 3.3 LTD benefits commence when the elimination period has been exhausted. The elimination period is the last to be satisfied of the following:

- The 1st 182 consecutive calendar day(s) of any one period of disability, or
- The exhaustion of the 182 calendar day STD benefit period.

Q 3.4 What is the LTD benefit payment?

A 3.4 The LTD benefit payment will be 60% of your pre-disability earnings (at the onset of your disability), including hazardous duty pay if applicable, up to a maximum monthly payment of \$8,000 paid to you on a monthly basis by The Hartford.

Q 3.5 What is the minimum LTD benefit payment?

A 3.5 The minimum monthly benefit will be the greater of \$100 or 10% of the gross benefit based on monthly income loss before the deduction of other income benefits.

Q 3.6 What is the maximum monthly LTD benefit payment?

A 3.6 The maximum monthly payment will be \$8,000.

Q 3.7 Can the LTD benefit payment be supplemented with available paid leave?

A 3.7 No. You are no longer an employee of the State of Delaware.

Q 3.8 What is the maximum duration that LTD benefits are payable?

A 3.8	<u>Age when disabled</u>	<u>Benefit duration</u>
	Prior to age 60	To age 65
	60	60 months
	61	48 months
	62	42 months
	63	36 months
	64	30 months
	65	24 months
	66	21 months
	67	18 months
	68	15 months
	69+	12 months

Note: This program has a maximum LTD benefit paying period of 24 months per lifetime when you are not confined and your disability is a result of mental illness, alcoholism or substance abuse.

Q 3.9 Is there a Pre-existing Conditions Limitation in the LTD program?

A 3.9 For employees hired on or after January 1, 2006, no LTD benefit will be payable for any disability that is due to, contributed to by, or results from a pre-existing condition unless such disability begins:

- After the last day of 12 consecutive month(s) enrolled in DIP in which you receive no medical care for the pre-existing condition, or
- After the last day of 12 consecutive month(s) during which you have been continuously enrolled in DIP.

Q 3.10 What happens if I recover during the LTD elimination period then become disabled again?

A 3.10 Periods of recovery during the elimination period will not interrupt the elimination period, provided the number of days you return to work after being rehired or your employment reinstated by the State of Delaware as an active full-time employee are less than 45 calendar days.

Q 3.11 What happens if I recover after the LTD elimination period then become disabled again?

A 3.11 If you have completed the elimination period and have been rehired or your employment reinstated by the State of Delaware as an active full-time employee and experience a recurrent disability and such disability is due to the same or related cause and within 6 months of the return to work, the period of disability prior to your return to work and the recurrent disability will be considered one period of disability by The Hartford.

- Q 3.12 What deductions are taken from my monthly LTD benefit payment?**
A 3.12 In addition to requested tax deductions, your monthly health care premium amounts *may* be automatically deducted from your monthly LTD benefit payments.
- Q 3.13 Who is responsible for preparing and submitting a pension application if I am transitioning from STD to LTD?**
A 3.13 Your Human Resources office will submit a vested pension application to the Pension Office at the time of transition from STD to LTD if such transition occurs.
- Q 3.14 If I am approved for LTD benefits by The Hartford, am I required to apply for Social Security disability?**
A 3.14 Yes. You are required to apply for Social Security disability benefits within 45 days from the request to do so. If denied by the Social Security Administration, you are required to follow and exhaust the Social Security appeals process.
- Q 3.15 Can I receive LTD benefits and collect a service pension benefit?**
A 3.15 No. You may apply for and receive Long Term Disability benefits or you may opt to begin collecting a service pension benefit, if eligible, with applicable accompanying fringe benefits such as health insurance.
- Q 3.16 If an employee goes out under LTD, then converts to a service pension, will the employee be required to pay state share of health care costs?**
A 3.16 Once someone converts to a service pension, the State share of health insurance would be based on the years of service and date of hire. Remember that during the time the employee is out on STD and LTD they are also accruing service pension credits.
- Q 3.17 What happens to the my accrued annual and sick time after my LTD benefits commence?**
A 3.17 You have two options:
1. Escrow Leave. Prior to the commencement of LTD you may make written request to escrow your accrued annual and sick leave for a period of six months.
 2. OR Payout of Leave. Upon the commencement of long-term disability benefits you shall be eligible to receive a payoff of accrued unused sick leave based on the rules in place by the employer.

If you choose Option #1, your leave will be escrowed for a maximum period of 6 months. Once you have returned to full-time State employment in a benefit eligible position for 30 calendar days within the 6 month escrow period, the leave balances will be returned. If you fail to return as stipulated, your leave will be paid out based on the rules in place by the employer.

If you choose Option #2, upon commencement of LTD your leave will be paid out based on the rules in place by the employer. Should you subsequently return to full-time State employment in a benefit eligible position your leave balance will be zero.

You continue to earn pension creditable service, and if you choose to continue to participate in the State's health care program, the State will continue to pay state share or double state share on your medical insurance. You are no longer eligible for holiday pay, leave accrual or any other leave. NOTE: You will receive a 1099 form instead of a W-4.

Q 3.18 Once I begin receiving LTD benefits, am I eligible to withdraw my pension contributions since my employ with the State of Delaware would have ended?

A 3.18 The pension benefit and the Disability Insurance Program are separate benefits. The STD benefit is paid by the State of Delaware and is pension creditable compensation and as such will be subject to pension contributions. At the point that you begin receiving LTD benefits paid by The Hartford, you can terminate your membership in the State Employees Pension Plan (SEPP) by withdrawing contributions. However, the additional pension service credit stops and you will forfeit your right to a service pension benefit (and all accompanying benefits such as health care) after the LTD benefit ceases.